

**BLACKPOOL AND THE FYLDE COLLEGE**  
**AUDIT COMMITTEE**  
**MINUTES OF A MEETING HELD ON 27 NOVEMBER 2019 AT 5.00PM**  
**IN THE BOARDROOM ON THE BISPHAM CAMPUS**

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**Present:** J Mills (in the Chair) Independent Member  
J Cole Independent Member  
S Dunstan Co-opted Subject Specialist

**In attendance:** P Howard, PDH Advisory Limited (Clerk to the Corporation)  
E McIntyre, KPMG  
B Robinson, Principal and Chief Executive  
R Ryan, Chief Operating Officer  
S Yeoman, Financial Controller  
J Butterfield, TIAA

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**1. Chair and quorum**

Judith Mills took the chair and noted that due notice had been given to all committee members and that a quorum was present. Accordingly, she declared the meeting duly convened and constituted.

**2. Apologies for absence**

Apologies for absence were received from L Moffat.

**3. Declarations of interest**

No committee members declared an interest in any items to be considered during the meeting.

**4. Minutes of previous meeting**

The minutes of the previous meeting held on 12 June 2019 were agreed as a true and accurate record.

**5. Internal audit annual report**

J Butterfield presented the internal audit annual report which had been circulated with the agenda. She reminded the committee that the report had previously been shared in draft format and was been presented in final form at this meeting. Confirmation was provided that the GDPR report had now been finalised, with one priority 2 and one priority 3 recommendation arising from the review, and note was

made that it would be presented to the next meeting of the committee for formal receipt.

The committee's particular attention was drawn to the Head of Internal Audit's opinion shown on page 1 of the report, which stated that B&FC has reasonable and effective risk management, control and governance processes in place.

The committee **RECEIVED** the internal audit annual report and noted the content.

## **6. Audit findings tracking log**

The Chief Operating Officer presented the audit findings tracking log which had been circulated with the agenda. He noted that a number of additional audits were currently underway which would result in additional actions being added to the log before the next meeting of the committee.

The Chair drew the committee's attention to page 6 of the report and noted that management had disagreed with the recommendation of the internal auditors in relation to the number of e-procurement licences that should be held. In response, the Financial Controller briefed on the shared licence arrangements that are in place and confirmed that appropriate control arrangements are in place to ensure that the terms of the licence are not breached and that the organisation's ability to operate is not impaired. The Chief Operating Officer supported this by noting that no practical difficulties had been encountered as a result of using shared licences.

With regard to the entry around formal counterparty limits on page 7 of the report, S Dunstan noted the management decision not to implement the recommendation fully and the Financial Controller confirmed that the action around formalising guidelines on counterparties had been completed but that formal counterparty limits had not been stipulated for the reasons described in the "agreed action" column.

The Chair commended management for its work in tracking and completing audit actions in a timely manner.

The committee **RECEIVED** the report and noted the content.

## **7. External auditors' year-end report 2018/19**

E McIntyre presented the draft year-end report for FY2018/18 and commended the organisation on the delivery of a high standard first draft set of accounts with high quality supporting management information. She confirmed that the auditors' work was substantially complete and would be concluded on receipt of the signed management representation letter following approval by the Corporation Board and a final director and manager file review. Confirmation was also provided that no control deficiencies had been identified.

With regard to the audit risks set out within the report, E McIntyre confirmed that revenue recognition and management override of controls are professionally mandated risks for auditors.

The committee **RECEIVED** the report and noted the content

#### **8. Teachers' Pension Scheme audit report**

E McIntyre presented the report of the audit of the Teachers' Pension Scheme.

The committee **RECEIVED** the report and noted the content.

#### **9. Draft annual report and financial statements 2018/19**

The Chief Operating Officer presented the draft annual report and financial statements for the 2018/19 financial year for scrutiny by the committee and thanked S Dunstan for undertaking his usual review in advance of presentation to the committee. The Financial Controller provided a summary of the content.

Following review, the committee **RECOMMENDED** the annual report and financial statements 2018/19 to the Corporation Board for approval.

#### **10. Audit Committee annual report**

J Mills presented a draft annual report which had been prepared on behalf of the committee and circulated with the agenda.

The committee **APPROVED** the report as presented.

#### **11. Risk management report**

The Chief Operating Officer presented a report which had been circulated with the agenda to present the updated risk register and drew the committee's attention to the summary of changes that had been included within the covering report. He noted that risk number 13 had been marked as behind schedule and advised that this was due to the emerging nature of the Office for Students (OfS) requirements.

The Chief Operating Officer also drew the committee's attention to the fact that two payments had recently been made to OfS and, whilst they had been made before the deadline, the standard banking timescales had resulted in them being received after the deadline. A letter from OfS had been received with a requirement for the matter to be reported to the Corporation Board.

The committee **RECEIVED** the report and noted the content.

## **12. Students' Union accounts**

The committee **RECEIVED** a report which summarised the students' union accounts.

## **13. Committee self-assessment**

As in previous years, the co-opted subject specialist had coordinated a self-assessment of the committee's effectiveness and a copy of his summary had been circulated with the agenda.

The committee **APPROVED** the self-assessment as presented.

## **14. Other matters to report**

The Chief Operating Officer reminded the committee that all breaches of Financial Regulations are advised to the committee and confirmed that there were three minor breaches to report. The first surrounded the acceptance of a £40 cash payment on a cashless site, the second related to the entering into a contract with a value of £500 outside of the process within Financial Regulations and the third related to a member of staff that had not provided an up to date declaration of interest in a company that does business with the organisation.

The Chief Operating Officer also advised of a relatively minor phishing fraud attempt which had not resulted in the loss of any funds but which had identified learning which had been shared across the organisation. The matter had also been reported to the relevant authorities.

The committee **RECEIVED** the verbal update and noted the content.

## **15. Date, time and venue of next meeting**

The next meeting of the Audit Committee will be held on 4 March 2020, 5.00pm in The Boardroom on the Bispham Campus.